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Comments Concerning a Cambodian-NLF/SVN Trade Agreement

In November 1967, Prince Sihanouk publicly acknowledged an oral agreement to provide the VC with rice and other supplies in exchange for dollars, but did not indicate when the agreement had been concluded. Many reports in the last three years claim the Cambodian Government officially participates in supplying rice to VC/NVA forces in South Vietnam.

We have been unable to establish either the effective date or the quantity of rice covered by the announced official agreement. Rising Communist requirements for rice and increasing RKG efforts to control rice exports and foreign-exchange transactions could have led to an agreement as early as 1965. If the official agreement was concluded prior to Sihanouk's first public reference in September 1967, it apparently did not cover all rice purchases because captured documents and PW statements show that, at least until mid-1967, some purchases were made through unofficial channels by unit supply cadres and paid for in rielis. However, reports dating back to 1965 indicate the official agreement covers quantities of rice consistent with our estimates of annual requirements of VC/NVA forces in Southern Laos and the highland borders of South Vietnam. We believe requirements did not exceed 20,000 tons in either 1966 or 1967. Increased infiltration of troops from North Vietnam in the first five months of 1968 may increase requirements.

It is not clear whether the agreement was made with North Vietnam or the NLF/SVN. It would be logical in either case for the RKG to seek an anti-smuggling guarantee.

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